

**MINUTES – CITIZENS OVERSIGHT/ FINANCE  
ADVISORY COMMITTEE  
REGULAR MEETING – JANUARY 21, 2020  
VETERANS MEMORIAL HALL – 3:00 P.M.**

|                  |                   |                       |
|------------------|-------------------|-----------------------|
| MEMBERS PRESENT: | Barbara Spagnola  | Chair                 |
|                  | John Martin       | Vice-Chair            |
|                  | Homer Alexander   | Member                |
|                  | Bart Beckman      | Member                |
|                  | Bill Bowes        | Member                |
|                  | Lois Johnson      | Member                |
| NOT PRESENT:     | None              |                       |
| STAFF PRESENT:   | Jennifer Callaway | Finance Director      |
|                  | Scott Collins     | City Manager          |
|                  | Rob Livick        | Public Works Director |
|                  | Tracy McConnell   | Account Clerk III     |

**ESTABLISH A QUORUM AND CALL TO ORDER**

Chair Spagnola called the meeting to order at 3:00 p.m., with 6 members present.

**MOMENT OF SILENCE**

**PLEDGE OF ALLEGIANCE**

**COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS**

Member Bowes announced that he will be unable to attend the February CFAC meeting due to travel. By consensus, the Committee approved his absence.

Member Beckman congratulated the Winter Bird Festival Committee for a successful event.

Chair Spagnola introduced new CFAC Member Tina Wener; stated she will assume her role at the February meeting.

**STAFF ANNOUNCEMENTS**

No announcements were made.

**PUBLIC COMMENT PERIOD**

Councilwoman McPherson spoke to the successful Winter Bird Festival stating 700 guests attended.

**A. CONSENT CALENDAR**

1. APPROVAL OF MINUTES FOR THE JANUARY 21, 2020 CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING.

[https://youtu.be/p-MM\\_HyiAZg?t=4m11s](https://youtu.be/p-MM_HyiAZg?t=4m11s)

MOTION: Member Bowes moved to approve A-1. Member Johnson seconded.  
Motion carried 6 - 0.

B. BUSINESS ITEMS

1. PRESENTATION ON RESULTS OF CITY OF MORRO BAY ISSUES SURVEY (CITY MANAGER)

[https://youtu.be/p-MM\\_HyiAZg?t=4m51s](https://youtu.be/p-MM_HyiAZg?t=4m51s)

City Manager Scott Collins presented the FM3 survey results with the committee and discussed cost saving and revenue generating measures the City has taken and answered committee member questions.

Public Comment:

None

Chair Spagnola closed public comment

The presentation was received and filed.

2. REVIEW OF THE FY 2018/19 YEAR-END MEASURE Q COUNCIL PRESENTATION (CHAIRWOMAN SPAGNOLA)

[https://youtu.be/p-MM\\_HyiAZg?t=27m56s](https://youtu.be/p-MM_HyiAZg?t=27m56s)

Chair Spagnola reviewed presentation to be made to City Council with committee and answered committee member questions and took suggestions.

Public Comment:

None

Chair Spagnola closed public comment

The presentation was received and filed.

3. REVIEW OF THE FY 2018/19 COMPREHENSIVE ANNUAL FINANCIAL REPORT (FINANCE DIRECTOR)

[https://youtu.be/p-MM\\_HyiAZg?t=2406](https://youtu.be/p-MM_HyiAZg?t=2406)

Finance Director Callaway made a brief presentation of the CAFR and answered committee member questions.

Public Comment:

None

Chair Spagnola closed public comment

MOTION: Chairwoman Spagnola made a motion to accept report as submitted with suggested changes. Member Bowes seconded motion. Motion carried 6 – 0.

MOTION: Member Alexander made a motion that the Finance Committee recommend that the City Council approves the city staff's request to pay off the unfunded liabilities for the City's Tier II and PEPRA funds. Member Beckman seconded motion. Following discussion, Member Alexander amended the motion.

AMENDED MOTION: Member Alexander amended the motion to the finance committee recommends that the City Council approves the City staff's

request to pay off unfunded pension liabilities. Member Beckman seconded the motion. Following discussion, Member Alexander withdrew his motion.

4. REVIEW OF FY 2020/21 BUDGET DATES AND CFAC MEETING DATES:  
(Finance Director)

[https://youtu.be/p-MM\\_HyiAZg?t=1h15m11s](https://youtu.be/p-MM_HyiAZg?t=1h15m11s)

Finance Director Callaway presented proposed meeting dates for the CFAC 2020 schedule and answered committee member questions. Councilwoman McPherson was invited to respond to questions from the Committee.

Public comment:

Tina Wener, Morro Bay, Future CFAC Member, questioned if the outreach from the survey and proposed sales tax will increase the workload of the committee.

Chair Spagnola closed public comment

MOTION: Member Alexander motioned that the CFAC recommends the meeting schedule be reduced to seven meetings, with the dark meetings being March, June, August, September and November. Member Bowes seconded. Following discussion, the motion carried 6 – 0.

5. REVIEW OF WRF CAPITAL PROJECT QUARTERLY UPDATE REPORT  
(Finance Director)

[https://youtu.be/p-MM\\_HyiAZg?t=1h35m8s](https://youtu.be/p-MM_HyiAZg?t=1h35m8s)

Public Works Director Livick presented the WRF project update and answered committee questions.

MOTION: Member Bowes motioned that if the proposed table 3 is approved by City Council then a number of other tables, up to 8, can be significantly reduced or eliminated. The motion was seconded by Member Beckman for discussion.

Following discussion, the motion failed 2 – 4, with Chairwoman Spagnola, Members Alexander, Johnson and Martin opposed.

Public Comment:

Councilwoman McPherson clarified what the Council would like CFAC to do with regard to the WRF Project report they receive.

Chair Spagnola closed public comment

MOTION: Member Alexander made a motion that the Finance Committee would like more clarity from City Council on exactly what CFAC's responsibilities are when reviewing the Quarterly WRF Financial Documents. Member Johnson seconded motion. Motion carried 5 – 1 with Member Beckman opposed.

C. FUTURE AGENDA ITEMS

[https://youtu.be/p-MM\\_HyiAZg?t=9125](https://youtu.be/p-MM_HyiAZg?t=9125)

The following items were addressed as future agenda items:

- 1) Mid-Year Budget Update
- 2) 10-Year Forecast Update
- 3) 2<sup>nd</sup> Quarter Investment Report

D. SCHEDULE NEXT MEETING

The next Regular Meeting of the Citizens Finance Advisory Committee is scheduled for February 18, 2020 at 3:00 pm.

E. ADJOURNMENT

The meeting adjourned at 5:34 pm

Recorded by:  
Tracy McConnell